

HOUSE SUBSTITUTE
FOR
SENATE SUBSTITUTE NO. 2
FOR
SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2

AN ACT

To repeal sections 285.300, 286.020, 288.036,
288.038, 288.040, 288.050, 288.060, 288.110,
288.121, 288.128, 288.270, 288.310, and
288.330, RSMo, and to enact in lieu thereof
sixteen new sections relating to employees,
with an emergency clause and penalty
provisions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
AS FOLLOWS:

Section A. Sections 285.300, 286.020, 288.036, 288.038,
288.040, 288.050, 288.060, 288.110, 288.121, 288.128, 288.270,
288.310, and 288.330, RSMo, are repealed and sixteen new sections
enacted in lieu thereof, to be known as sections 285.300,
286.020, 288.036, 288.038, 288.040, 288.050, 288.060, 288.110,
288.121, 288.128, 288.270, 288.310, 288.330, 288.385, 288.395,
and 1, to read as follows:

285.300. 1. Every employer doing business in the state

1 shall require each newly hired employee to fill out a federal W-4
2 withholding form. A copy of each withholding form or an
3 equivalent form containing data required by section 285.304 which
4 may be provided in an electronic or magnetic format, shall be
5 sent to the department of revenue by the employer within twenty
6 days after the date the employer hires the employee or in the
7 case of an employer transmitting a report magnetically or
8 electronically, by two monthly transmissions, if necessary, not
9 less than twelve days nor more than sixteen days apart. For
10 purposes of this section, the date the employer hires the
11 employee shall be the earlier of the date the employee signs the
12 W-4 form or its equivalent, or the first date the employee
13 reports to work, or performs labor or services. Such forms shall
14 be forwarded by the department of revenue to the division of
15 child support enforcement on a weekly basis and the information
16 shall be entered into the database, to be known as the "State
17 Directory of New Hires". The information reported shall be
18 provided to the National Directory of New Hires established in 42
19 U.S.C. section 653, other state agencies or contractors of the
20 division as required or allowed by federal statutes or
21 regulations. The division of employment security shall cross-
22 check Missouri unemployment compensation recipients against any
23 federal new hire database or any other database containing
24 Missouri or other states wage information which is maintained by

1 the federal or state government on a monthly basis.

2 2. Any employer that has employees who are employed in two
3 or more states and transmits reports magnetically or
4 electronically may comply with subsection 1 of this section by:

5 (1) Designating one of the states in which the employer has
6 employees as the designated state that such employer shall
7 transmit the reports; and

8 (2) Notifying the secretary of Health and Human Services of
9 such designation.

10 286.020. 1. The term of office of each member of the
11 commission shall be six years except that when first constituted
12 one member shall be appointed for two years, one for four years
13 and one for six years, and thereafter all vacancies shall be
14 filled as they occur. The terms of office of the first members
15 of the commission shall begin on the date of their appointment
16 which shall be within thirty days after the effective date of
17 this chapter. Any member appointed to fill a vacancy occurring
18 prior to the expiration of the term for which the member's
19 predecessor was appointed, shall be appointed by the governor, by
20 and with the advice and consent of the senate, for the remainder
21 of such term.

22 2. Every commission member appointed to serve, either as a
23 permanent, an acting, a temporary, an interim, or as a
24 legislative recess appointment, shall appear for confirmation

1 before the senate within thirty days after the senate next
2 convenes for regular session. Any member appointed or serving
3 the labor and industrial relations commission without senate
4 confirmation after said time period shall immediately resign from
5 the commission and shall not be reappointed to the same office or
6 position in accordance with section 51 of article IV of the
7 Missouri Constitution.

8 3. The governor may remove any member of the commission,
9 after notice and hearing, for gross inefficiency, mental or
10 physical incapacity, neglect of duties, malfeasance, misfeasance
11 or nonfeasance in office, incompetence or for any offense
12 involving moral turpitude or oppression in office.

13 288.036. 1. "Wages" means all remuneration, payable or
14 paid, for personal services including commissions and bonuses
15 and, except as provided in subdivision [(8)] (7) of this section,
16 the cash value of all remuneration paid in any medium other than
17 cash. Gratuities, including tips received from persons other
18 than the employing unit, shall be considered wages only if
19 required to be reported as wages pursuant to the Federal
20 Unemployment Tax Act, 26 U.S.C. Sec. 3306, and shall be, for the
21 purposes of this chapter, treated as having been paid by the
22 employing unit. Severance pay shall be considered as wages [to
23 the extent required pursuant to the Federal Unemployment Tax Act,
24 26 U.S.C. Section 3306(b)]. Vacation pay and holiday pay shall

1 be considered as wages for the week with respect to which it is
2 payable. The term "wages" shall not include:

3 (1) [For the purposes of determining the amount of
4 contributions due and contribution rates, that part of the
5 remuneration for employment paid to an individual by an employer
6 or the employer's predecessors which is in excess of seven
7 thousand dollars for the calendar years 1988 through 1992, seven
8 thousand five hundred dollars for the calendar year 1993, eight
9 thousand five hundred dollars for the calendar years 1994, 1995
10 and 1996, eight thousand dollars for calendar year 1997, and
11 eight thousand five hundred dollars for the calendar year 1998,
12 and the state taxable wage base as determined in subsection 2 of
13 this section for calendar year 1999, and each calendar year
14 thereafter, unless that part of the remuneration is subject to a
15 tax pursuant to a federal law imposing a tax against which credit
16 may be taken for contributions required to be paid into a state
17 unemployment fund; except that:

18 (a) In addition to the taxable wage, as defined in this
19 subdivision, if on December 31, 1995, or on any December
20 thirty-first thereafter, the balance in the unemployment
21 insurance trust fund, less any federal advances, is less than one
22 hundred million dollars, then the amount of the taxable wage then
23 in effect shall be increased by five hundred dollars for all
24 succeeding calendar years;

1 (b) If on December 31, 1995, or any December thirty-first
2 thereafter, the balance in the unemployment insurance trust fund,
3 less any federal advances, is two hundred and fifty million
4 dollars or more, then the amount of the taxable wage then in
5 effect shall be reduced by five hundred dollars, but not below
6 that part of the remuneration which is subject to a tax pursuant
7 to a federal law imposing a tax against which credit may be taken
8 for contributions required to be paid into a state unemployment
9 fund;

10 (2)] The amount of any payment made (including any amount
11 paid by an employing unit for insurance or annuities, or into a
12 fund, to provide for any such payment) to, or on behalf of, an
13 individual under a plan or system established by an employing
14 unit which makes provision generally for individuals performing
15 services for it or for a class or classes of such individuals, on
16 account of:

17 (a) Sickness or accident disability, but in case of
18 payments made to an employee or any of the employee's dependents
19 this paragraph shall exclude from the term "wages" only payments
20 which are received pursuant to a workers' compensation law; or

21 (b) Medical and hospitalization expenses in connection with
22 sickness or accident disability; or

23 (c) Death;

24 [(3)] (2) The amount of any payment on account of sickness

1 or accident disability, or medical or hospitalization expenses in
2 connection with sickness or accident disability, made by an
3 employing unit to, or on behalf of, an individual performing
4 services for it after the expiration of six calendar months
5 following the last calendar month in which the individual
6 performed services for such employing unit;

7 [(4)] (3) The amount of any payment made by an employing
8 unit to, or on behalf of, an individual performing services for
9 it or his or her beneficiary:

10 (a) From or to a trust described in 26 U.S.C. 401(a) which
11 is exempt from tax pursuant to 26 U.S.C. 501(a) at the time of
12 such payment unless such payment is made to an employee of the
13 trust as remuneration for services rendered as such an employee
14 and not as a beneficiary of the trust; or

15 (b) Under or to an annuity plan which, at the time of such
16 payments, meets the requirements of section 404(a)(2) of the
17 Federal Internal Revenue Code (26 U.S.C.A. Sec. 404);

18 [(5)] (4) The amount of any payment made by an employing
19 unit (without deduction from the remuneration of the individual
20 in employment) of the tax imposed pursuant to section 3101 of the
21 Federal Internal Revenue Code (26 U.S.C.A. Sec. 3101) upon an
22 individual with respect to remuneration paid to an employee for
23 domestic service in a private home or for agricultural labor;

24 [(6)] (5) Remuneration paid in any medium other than cash

1 to an individual for services not in the course of the employing
2 unit's trade or business;

3 [(7)] (6) Remuneration paid in the form of meals provided
4 to an individual in the service of an employing unit where such
5 remuneration is furnished on the employer's premises and at the
6 employer's convenience, except that remuneration in the form of
7 meals that is considered wages and required to be reported as
8 wages pursuant to the Federal Unemployment Tax Act, 26 U.S.C.
9 Sec. 3306 shall be reported as wages as required thereunder;

10 [(8)] (7) For the purpose of determining wages paid for
11 agricultural labor as defined in paragraph (b) of subdivision (1)
12 of subsection 12 of section 288.034 and for domestic service as
13 defined in subsection 13 of section 288.034, only cash wages paid
14 shall be considered;

15 [(9)] (8) Beginning on October 1, 1996, any payment to, or
16 on behalf of, an employee or the employee's beneficiary under a
17 cafeteria plan, if such payment would not be treated as wages
18 pursuant to the Federal Unemployment Tax Act.

19 2. The increases or decreases to the state taxable wage
20 base for calendar year [1999] 2003, and each calendar year
21 thereafter, shall be determined by the provisions within this
22 subsection. Upon the first calendar quarter after the effective
23 date of this section, the state taxable wage base for calendar
24 year [1999, and] 2003 shall be eight thousand dollars for the

1 balance of the calendar year. The state taxable wage base for
2 each calendar year thereafter[,] shall be determined by the
3 preceding September thirtieth balance of the unemployment
4 compensation trust fund, less any outstanding federal Title XII
5 advances received pursuant to section 288.330 and the principal,
6 interest, and administrative expenses related to bonds issued
7 pursuant to section 288.330. When the September thirtieth
8 unemployment compensation trust fund balance, less any
9 outstanding federal Title XII advances received pursuant to
10 section 288.330, is:

11 (1) Less than, or equal to, three hundred fifty million
12 dollars, then the wage base shall increase by [five hundred] one
13 thousand dollars; or

14 (2) [Four] Five hundred [fifty] million or more, then the
15 state taxable wage base for the subsequent calendar year shall be
16 decreased by five hundred dollars. In no event, however, shall
17 the state taxable wage base increase beyond ten thousand five
18 hundred dollars, or decrease to less than seven thousand dollars.
19 For any calendar year, the state taxable wage base shall not be
20 reduced to less than that part of the remuneration which is
21 subject to a tax under a federal law imposing a tax against which
22 credit may be taken for contributions required to be paid into a
23 state unemployment compensation trust fund. Nothing in this
24 section shall be construed to prevent the wage base from

1 increasing by an increment of five hundred dollars if the wage
2 base is currently at ten thousand dollars.

3 288.038. With respect to initial claims filed [during
4 calendar years 1998, 1999, 2000 and 2001] after the effective
5 date of this section and each calendar year thereafter, the
6 "maximum weekly benefit amount" means four percent of the total
7 wages paid to an eligible insured worker during that quarter of
8 the worker's base period in which the worker's wages were the
9 highest, but the maximum weekly benefit amount shall not exceed
10 [two hundred five dollars in the calendar year 1998, two hundred
11 twenty dollars in the calendar year 1999, two hundred thirty-five
12 dollars in the calendar year 2000, and] two hundred fifty dollars
13 in the calendar year [2001] 2003, and each calendar year
14 thereafter. If such benefit amount is not a multiple of one
15 dollar, such amount shall be reduced to the nearest lower full
16 dollar amount.

17 288.040. 1. A claimant who is unemployed and has been
18 determined to be an insured worker shall be eligible for benefits
19 for any week only if the deputy finds that:

20 (1) The claimant has registered for work at and thereafter
21 has continued to report at an employment office in accordance
22 with such regulations as the division may prescribe;

23 (2) The claimant is able to work and is available for work.
24 No person shall be deemed available for work unless such person

1 has been and is actively and earnestly seeking work. Upon the
2 filing of an initial or renewed claim, and prior to the filing of
3 each weekly claim thereafter, the deputy shall notify each
4 claimant of the number of work search contacts required to
5 constitute an active search for work. No person shall be
6 considered not available for work, pursuant to this subdivision,
7 solely because he or she is a substitute teacher or is on jury
8 duty. A claimant shall not be determined to be ineligible
9 pursuant to this subdivision because of not actively and
10 earnestly seeking work if:

11 (a) The claimant is participating in training approved
12 pursuant to Section 236 of the Trade Act of 1974, as amended, (19
13 U.S.C.A. Sec. 2296, as amended); or

14 (b) The claimant is temporarily unemployed through no fault
15 of his or her own and has a definite recall date within eight
16 weeks of his or her first day of unemployment; however, upon
17 application of the employer responsible for the claimant's
18 unemployment, such eight-week period may be extended at the
19 discretion of the director; or

20 (c) The claimant is participating in a state approved drug
21 or alcohol treatment program;

22 (3) The claimant has reported in person to an office of the
23 division as directed by the deputy, but at least once every four
24 weeks, except that a claimant shall be exempted from the

1 reporting requirement of this subdivision if:

2 (a) The claimant is claiming benefits in accordance with
3 division regulations dealing with partial or temporary total
4 unemployment; or

5 (b) The claimant is temporarily unemployed through no fault
6 of his or her own and has a definite recall date within eight
7 weeks of his or her first day of unemployment; or

8 (c) The claimant resides in a county with an unemployment
9 rate, as published by the division, of ten percent or more and in
10 which the county seat is more than forty miles from the nearest
11 division office;

12 (d) The director of the division of employment security has
13 determined that the claimant belongs to a group or class of
14 workers whose opportunities for reemployment will not be enhanced
15 by reporting in person, or is prevented from reporting due to
16 emergency conditions that limit access by the general public to
17 an office that serves the area where the claimant resides, but
18 only during the time such circumstances exist.

19 Ineligibility pursuant to this subdivision shall begin on the
20 first day of the week which the claimant was scheduled to claim
21 and shall end on the last day of the week preceding the week
22 during which the claimant does report in person to the division's
23 office;

1 (4) Prior to the first week of a period of total or partial
2 unemployment for which the claimant claims benefits he or she has
3 been totally or partially unemployed for a waiting period of one
4 week. No more than one waiting week will be required in any
5 benefit year. [The one-week waiting period shall become
6 compensable after unemployment during which benefits are payable
7 for nine consecutive weeks.] No week shall be counted as a week
8 of total or partial unemployment for the purposes of this
9 subsection unless it occurs within the benefit year which
10 includes the week with respect to which the claimant claims
11 benefits;

12 (5) The claimant has made a claim for benefits;

13 (6) The claimant is participating in reemployment services,
14 such as job search assistance services, as directed by the deputy
15 if the claimant has been determined to be likely to exhaust
16 regular benefits and to need reemployment services pursuant to a
17 profiling system established by the division, unless the deputy
18 determines that:

19 (a) The individual has completed such reemployment
20 services; or

21 (b) There is justifiable cause for the claimant's failure
22 to participate in such reemployment services.

23 2. A claimant shall be ineligible for waiting week credit
24 or benefits for any week for which the deputy finds he or she is

1 or has been suspended by his or her most recent employer for
2 misconduct connected with his or her work. For purposes of this
3 chapter:

4 (1) The term "misconduct" shall mean an act of wanton or
5 willful disregard of the employer's interest, a deliberate
6 violation of the employer's rules, a disregard of standards of
7 behavior which the employer has the right to expect of his or her
8 employee, or negligence in such degree or recurrence as to
9 manifest culpability, wrongful intent or evil design, or show an
10 intentional and substantial disregard of the employer's interest,
11 or of the employee's duties and obligations to the employer;

12 (2) Suspensions of four weeks or more shall be treated as a
13 discharge.

14 3. (1) Benefits based on "service in employment", defined
15 in subsections 7 and 8 of section 288.034, shall be payable in
16 the same amount, on the same terms and subject to the same
17 conditions as compensation payable on the basis of other service
18 subject to this law; except that:

19 (a) With respect to service performed in an instructional,
20 research, or principal administrative capacity for an educational
21 institution, benefits shall not be paid based on such services
22 for any week of unemployment commencing during the period between
23 two successive academic years or terms, or during a similar
24 period between two regular but not successive terms, or during a

1 period of paid sabbatical leave provided for in the individual's
2 contract, to any individual if such individual performs such
3 services in the first of such academic years (or terms) and if
4 there is a contract or a reasonable assurance that such
5 individual will perform services in any such capacity for any
6 educational institution in the second of such academic years or
7 terms;

8 (b) With respect to services performed in any capacity
9 (other than instructional, research, or principal administrative
10 capacity) for an educational institution, benefits shall not be
11 paid on the basis of such services to any individual for any week
12 which commences during a period between two successive academic
13 years or terms if such individual performs such services in the
14 first of such academic years or terms and there is a contract or
15 a reasonable assurance that such individual will perform such
16 services in the second of such academic years or terms;

17 (c) With respect to services described in paragraphs (a)
18 and (b) of this subdivision, benefits shall not be paid on the
19 basis of such services to any individual for any week which
20 commences during an established and customary vacation period or
21 holiday recess if such individual performed such services in the
22 period immediately before such vacation period or holiday recess,
23 and there is reasonable assurance that such individual will
24 perform such services immediately following such vacation period

1 or holiday recess;

2 (d) With respect to services described in paragraphs (a)
3 and (b) of this subdivision, benefits payable on the basis of
4 services in any such capacity shall be denied as specified in
5 paragraphs (a), (b), and (c) of this subdivision, to any
6 individual who performed such services at an educational
7 institution while in the employ of an educational service agency,
8 and for this purpose the term "educational service agency" means
9 a governmental agency or governmental entity which is established
10 and operated exclusively for the purpose of providing such
11 services to one or more educational institutions.

12 (2) If compensation is denied for any week pursuant to
13 paragraph (b) or (d) of subdivision (1) of this subsection, to
14 any individual performing services at an educational institution
15 in any capacity (other than instructional, research or principal
16 administrative capacity), and such individual was not offered an
17 opportunity to perform such services for the second of such
18 academic years or terms, such individual shall be entitled to a
19 retroactive payment of the compensation for each week for which
20 the individual filed a timely claim for compensation and for
21 which compensation was denied solely by reason of paragraph (b)
22 or (d) of subdivision (1) of this subsection.

23 4. (1) A claimant shall be ineligible for waiting week
24 credit, benefits or shared work benefits for any week for which

1 he or she is receiving or has received remuneration exceeding his
2 or her weekly benefit amount or shared work benefit amount in the
3 form of:

4 (a) Compensation for temporary partial disability pursuant
5 to the workers' compensation law of any state or pursuant to a
6 similar law of the United States;

7 (b) A governmental or other pension, retirement or retired
8 pay, annuity, or other similar periodic payment which is based on
9 the previous work of such claimant to the extent that such
10 payment is provided from funds provided by a base period or
11 chargeable employer pursuant to a plan maintained or contributed
12 to by such employer; but, except for such payments made pursuant
13 to the Social Security Act or the Railroad Retirement Act of 1974
14 (or the corresponding provisions of prior law), the provisions of
15 this paragraph shall not apply if the services performed for such
16 employer by the claimant after the beginning of the base period
17 (or remuneration for such services) do not affect eligibility for
18 or increase the amount of such pension, retirement or retired
19 pay, annuity or similar payment.

20 (2) If the remuneration referred to in this subsection is
21 less than the benefits which would otherwise be due, the claimant
22 shall be entitled to receive for such week, if otherwise
23 eligible, benefits reduced by the amount of such remuneration,
24 and, if such benefit is not a multiple of one dollar, such amount

1 shall be lowered to the next multiple of one dollar.

2 (3) Notwithstanding the provisions of subdivisions (1) and
3 (2) of this subsection, if a claimant has contributed in any way
4 to the Social Security Act or the Railroad Retirement Act of
5 1974, or the corresponding provisions of prior law, no part of
6 the payments received pursuant to such federal law shall be
7 deductible from the amount of benefits received pursuant to this
8 chapter.

9 5. A claimant shall be ineligible for waiting week credit
10 or benefits for any week for which or a part of which he or she
11 has received or is seeking unemployment benefits pursuant to an
12 unemployment insurance law of another state or the United States;
13 provided, that if it be finally determined that the claimant is
14 not entitled to such unemployment benefits, such ineligibility
15 shall not apply.

16 6. (1) A claimant shall be ineligible for waiting week
17 credit or benefits for any week for which the deputy finds that
18 such claimant's total or partial unemployment is due to a
19 stoppage of work which exists because of a labor dispute in the
20 factory, establishment or other premises in which such claimant
21 is or was last employed. In the event the claimant secures other
22 employment from which he or she is separated during the existence
23 of the labor dispute, the claimant must have obtained bona fide
24 employment as a permanent employee for at least the major part of

1 each of two weeks in such subsequent employment to terminate his
2 or her ineligibility. If, in any case, separate branches of work
3 which are commonly conducted as separate businesses at separate
4 premises are conducted in separate departments of the same
5 premises, each such department shall for the purposes of this
6 subsection be deemed to be a separate factory, establishment or
7 other premises. This subsection shall not apply if it is shown
8 to the satisfaction of the deputy that:

9 (a) The claimant is not participating in or financing or
10 directly interested in the labor dispute which caused the
11 stoppage of work; and

12 (b) The claimant does not belong to a grade or class of
13 workers of which, immediately preceding the commencement of the
14 stoppage, there were members employed at the premises at which
15 the stoppage occurs, any of whom are participating in or
16 financing or directly interested in the dispute.

17 (2) "Stoppage of work" as used in this subsection means a
18 substantial diminution of the activities, production or services
19 at the establishment, plant, factory or premises of the employing
20 unit. This definition shall not apply to a strike where the
21 employees in the bargaining unit who initiated the strike are
22 participating in the strike. Such employees shall not be
23 eligible for waiting week credit or benefits during the period
24 when the strike is in effect, regardless of diminution, unless

1 the employer has been found guilty of an unfair labor practice by
2 the National Labor Relations Board or a federal court of law for
3 an act or actions preceding or during the strike.

4 7. On or after January 1, 1978, benefits shall not be paid
5 to any individual on the basis of any services, substantially all
6 of which consist of participating in sports or athletic events or
7 training or preparing to so participate, for any week which
8 commences during the period between two successive sport seasons
9 (or similar periods) if such individual performed such services
10 in the first of such seasons (or similar periods) and there is a
11 reasonable assurance that such individual will perform such
12 services in the later of such seasons (or similar periods).

13 8. Benefits shall not be payable on the basis of services
14 performed by an alien, unless such alien is an individual who was
15 lawfully admitted for permanent residence at the time such
16 services were performed, was lawfully present for purposes of
17 performing such services, or was permanently residing in the
18 United States under color of law at the time such services were
19 performed (including an alien who was lawfully present in the
20 United States as a result of the application of the provisions of
21 Section 212(d)(5) of the Immigration and Nationality Act).

22 (1) Any data or information required of individuals
23 applying for benefits to determine whether benefits are not
24 payable to them because of their alien status shall be uniformly

1 required from all applicants for benefits.

2 (2) In the case of an individual whose application for
3 benefits would otherwise be approved, no determination that
4 benefits to such individual are not payable because of such
5 individual's alien status shall be made except upon a
6 preponderance of the evidence.

7 288.050. 1. Notwithstanding the other provisions of this
8 law, a claimant shall be disqualified for waiting week credit or
9 benefits until after the claimant has earned wages for work
10 insured pursuant to the unemployment compensation laws of any
11 state equal to ten times the claimant's weekly benefit amount if
12 the deputy finds:

13 (1) That the claimant has left work voluntarily without
14 good cause attributable to such work or to the claimant's
15 employer; except that the claimant shall not be disqualified:

16 (a) If the deputy finds the claimant quit such work for the
17 purpose of accepting a more remunerative job which the claimant
18 did accept and earn some wages therein;

19 (b) If the claimant quit temporary work to return to such
20 claimant's regular employer; or

21 (c) If the deputy finds the individual quit work, which
22 would have been determined not suitable in accordance with
23 paragraphs (a) and (b) of subdivision (3) of this subsection,
24 within twenty-eight calendar days of the first day worked; or

1 (d) As to initial claims filed after December 31, 1988, if
2 the claimant presents evidence supported by competent medical
3 proof that she was forced to leave her work because of pregnancy,
4 notified her employer of such necessity as soon as practical
5 under the circumstances, and returned to that employer and
6 offered her services to that employer as soon as she was
7 physically able to return to work, as certified by a licensed and
8 practicing physician, but in no event later than ninety days
9 after the termination of the pregnancy. An employee shall have
10 been employed for at least one year with the same employer before
11 she may be provided benefits pursuant to the provisions of this
12 paragraph;

13 (2) That the claimant has retired pursuant to the terms of
14 a labor agreement between the claimant's employer and a union
15 duly elected by the employees as their official representative or
16 in accordance with an established policy of the claimant's
17 employer; or

18 (3) That the claimant failed without good cause either to
19 apply for available suitable work when so directed by the deputy,
20 or to accept suitable work when offered the claimant, either
21 through the division or directly by an employer by whom the
22 individual was formerly employed, or to return to the
23 individual's customary self-employment, if any, when so directed
24 by the deputy. An offer of work shall be conclusively

1 established if an employer notifies the claimant in writing of
2 such offer by sending an acknowledgment via any form of certified
3 mail issued by the United States Postal Service stating such
4 offer to the claimant at his or her last known address. Nothing
5 in this subdivision shall be construed to limit the means by
6 which the deputy may establish that the claimant has been
7 sufficiently notified of available work. The department may not
8 require, as a condition of finding an offer of work was made,
9 that such offer be in writing.

10 (a) In determining whether or not any work is suitable for
11 an individual, the division shall consider, among other factors
12 and in addition to those enumerated in paragraph (b) of this
13 subdivision, the degree of risk involved to the individual's
14 health, safety and morals, the individual's physical fitness and
15 prior training, the individual's experience and prior earnings,
16 the individual's length of unemployment, the individual's
17 prospects for securing work in the individual's customary
18 occupation, the distance of available work from the individual's
19 residence and the individual's prospect of obtaining local work;
20 except that, if an individual has moved from the locality in
21 which the individual actually resided when such individual was
22 last employed to a place where there is less probability of the
23 individual's employment at such individual's usual type of work
24 and which is more distant from or otherwise less accessible to

1 the community in which the individual was last employed, work
2 offered by the individual's most recent employer if similar to
3 that which such individual performed in such individual's last
4 employment and at wages, hours, and working conditions which are
5 substantially similar to those prevailing for similar work in
6 such community, or any work which the individual is capable of
7 performing at the wages prevailing for such work in the locality
8 to which the individual has moved, if not hazardous to such
9 individual's health, safety or morals, shall be deemed suitable
10 for the individual;

11 (b) Notwithstanding any other provisions of this law, no
12 work shall be deemed suitable and benefits shall not be denied
13 pursuant to this law to any otherwise eligible individual for
14 refusing to accept new work under any of the following
15 conditions:

16 a. If the position offered is vacant due directly to a
17 strike, lockout, or other labor dispute;

18 b. If the wages, hours, or other conditions of the work
19 offered are substantially less favorable to the individual than
20 those prevailing for similar work in the locality;

21 c. If as a condition of being employed the individual would
22 be required to join a company union or to resign from or refrain
23 from joining any bona fide labor organization.

24 2. (1) Notwithstanding the other provisions of this law,

1 if a deputy finds that a claimant has been discharged for
2 misconduct connected with the claimant's work, such claimant[,
3 depending upon the seriousness of the misconduct as determined by
4 the deputy according to the circumstances in each case,] shall be
5 disqualified for waiting week credit or benefits [for not less
6 than four nor more than sixteen weeks for which the claimant
7 claims benefits and is otherwise eligible]. In addition to the
8 disqualification for benefits pursuant to this provision the
9 division may in the more aggravated cases of misconduct, cancel
10 all or any part of the individual's wage credits, which were
11 established through the individual's employment by the employer
12 who discharged such individual, according to the seriousness of
13 the misconduct. A disqualification provided for pursuant to this
14 subsection shall not apply to any week which occurs after the
15 claimant has earned wages for work insured pursuant to the
16 unemployment compensation laws of any state in an amount equal to
17 eight times the claimant's weekly benefit amount. Should a
18 claimant be disqualified on more than one occasion within the
19 base period, the claimant shall be required to earn wages in an
20 amount equal to or in excess of eight times the maximum weekly
21 benefit amount for each disqualification, such additionally
22 required wages shall run consecutively.

23 (2) For the purposes of this section the term "misconduct"
24 shall mean an act of wanton or willful disregard of the

1 employer's interest, a deliberate violation of the employer's
2 rules, a disregard of standards of behavior which the employer
3 has the right to expect of his or her employee, or negligence in
4 such degree or recurrence as to manifest culpability, wrongful
5 intent or evil design or show an intentional and substantial
6 disregard of the employer's interest or of the employee's duties
7 and obligations to the employer.

8 3. A pattern of absenteeism or tardiness may constitute
9 misconduct regardless of whether the last incident alone which
10 results in the discharge constitutes misconduct.

11 4. Notwithstanding the provisions of subsection 1 of this
12 section, a claimant may not be determined to be disqualified for
13 benefits because the claimant is in training approved pursuant to
14 section 236 of the Trade Act of 1974, as amended, (19 U.S.C.A.
15 Sec. 2296, as amended), or because the claimant left work which
16 was not "suitable employment" to enter such training. For the
17 purposes of this subsection "suitable employment" means, with
18 respect to a worker, work of a substantially equal or higher
19 skill level than the worker's past adversely affected employment,
20 and wages for such work at not less than eighty percent of the
21 worker's average weekly wage as determined for the purposes of
22 the Trade Act of 1974.

23 288.060. 1. All benefits shall be paid through employment
24 offices in accordance with such regulations as the division may

1 prescribe.

2 2. Each eligible insured worker who is totally unemployed
3 in any week shall be paid for such week a sum equal to his weekly
4 benefit amount.

5 3. Each eligible insured worker who is partially unemployed
6 in any week shall be paid for such week a partial benefit. Such
7 partial benefit shall be an amount equal to the difference
8 between his weekly benefit amount and that part of his wages for
9 such week in excess of twenty dollars, and, if such partial
10 benefit amount is not a multiple of one dollar, such amount shall
11 be reduced to the nearest lower full dollar amount. [Termination
12 pay, severance pay or] Pay received by an eligible insured worker
13 who is a member of the organized militia for training or duty
14 authorized by section 502(a)(1) of Title 32, United States Code[,
15 or who is an elected official] shall not be considered wages for
16 the purpose of this subsection.

17 4. The division shall compute the wage credits for each
18 individual by crediting him with the wages paid to him for
19 insured work during each quarter of his base period or twenty-six
20 times his weekly benefit amount, whichever is the lesser. In
21 addition, if a claimant receives wages in the form of termination
22 pay or severance pay and such payment appears in a base period
23 established by the filing of an initial claim, the claimant may,
24 at his option, choose to have such payment included in the

1 calendar quarter in which it was paid or choose to have it
2 prorated equally among the quarters comprising the base period of
3 the claim. The maximum total amount of benefits payable to any
4 insured worker during any benefit year shall not exceed
5 twenty-six times his weekly benefit amount, or thirty-three and
6 one-third percent of his wage credits, whichever is the lesser.
7 For the purpose of this section, wages shall be counted as wage
8 credits for any benefit year, only if such benefit year begins
9 subsequent to the date on which the employing unit by whom such
10 wages were paid has become an employer. The wage credits of an
11 individual earned during the period commencing with the end of a
12 prior base period and ending on the date on which he filed an
13 allowed initial claim shall not be available for benefit purposes
14 in a subsequent benefit year unless, in addition thereto, such
15 individual has subsequently earned either wages for insured work
16 in an amount equal to at least five times his current weekly
17 benefit amount or wages in an amount equal to at least ten times
18 his current weekly benefit amount.

19 5. In the event that benefits are due a deceased person and
20 no petition has been filed for the probate of the will or for the
21 administration of the estate of such person within thirty days
22 after his death, the division may by regulation provide for the
23 payment of such benefits to such person or persons as the
24 division finds entitled thereto and every such payment shall be a

1 valid payment to the same extent as if made to the legal
2 representatives of the deceased.

3 6. The division is authorized to cancel any benefit warrant
4 remaining outstanding and unpaid one year after the date of its
5 issuance and there shall be no liability for the payment of any
6 such benefit warrant thereafter.

7 7. The division may establish an electronic funds transfer
8 system to transfer directly to claimants' accounts in financial
9 institutions benefits payable to them pursuant to this chapter.
10 To receive benefits by electronic funds transfer, a claimant
11 shall satisfactorily complete a direct deposit application form
12 authorizing the division to deposit benefit payments into a
13 designated checking or savings account. Any electronic funds
14 transfer system created pursuant to this subsection shall be
15 administered in accordance with regulations prescribed by the
16 division.

17 8. The division may issue a benefit warrant covering more
18 than one week of benefits.

19 288.110. Any individual, type of organization or employing
20 unit which has acquired substantially all of the business of an
21 employer, excepting in any such case any assets retained by such
22 employer incident to the liquidation of his obligations, and in
23 respect to which the division finds that immediately after such
24 change such business of the predecessor employer is continued

1 without interruption solely by the successor, shall stand in the
2 position of such predecessor employer in all respects, including
3 the predecessor's separate account, actual contribution and
4 benefit experience, annual payrolls, and liability for current or
5 delinquent contributions, interest and penalties. If two or more
6 individuals, organizations, or employing units acquired at
7 approximately the same time substantially all of the business of
8 an employer (excepting in any such case any assets retained by
9 such employer incident to the liquidation of his obligations) and
10 in respect to which the division finds that immediately after
11 such change all portions of such business of the predecessor are
12 continued without interruption solely by such successors, each
13 such individual, organization, or employing unit shall stand in
14 the position of such predecessor with respect to the
15 proportionate share of the predecessor's separate account, actual
16 contribution and benefit experience and annual payroll as
17 determined by the portion of the predecessor's taxable payroll
18 applicable to the portion of the business acquired, and each such
19 individual, organization or employing unit shall be liable for
20 current or delinquent contributions, interest and penalties of
21 the predecessor in the same relative proportion. Further, any
22 successor under this section which was not an employer at the
23 time the acquisition occurred, shall pay contributions for the
24 balance of the current rate year at the same contribution rate as

1 the contribution rate of the predecessor whether such rate is
2 more or less than two and seven-tenths percent, provided there
3 was only one predecessor or there were only predecessors with
4 identical rates. If the predecessors' rates were not identical,
5 the division shall calculate a rate as of the date of acquisition
6 applicable to the successor for the remainder of the rate year,
7 which rate shall be based on the combined experience of all
8 predecessor employers. In the event that any successor was,
9 prior to an acquisition, an employer, and there is a difference
10 in the contribution rate established for such calendar year
11 applicable to any acquired or acquiring employer, the division
12 shall make a recalculation [as of the date of acquisition] of the
13 contribution rate applicable to any successor employer based upon
14 the combined experience of all predecessor and successor
15 employers[, which] as of the date of the acquisition, unless the
16 date of the acquisition is other than the first day of the
17 calendar quarter. If the date of any such acquisition is other
18 than the first day of the calendar quarter, the division shall
19 make the recalculation of the rate on the first day of the next
20 calendar quarter after the acquisition. When the date of the
21 acquisition is other than the first day of a calendar quarter,
22 the successor employer shall use its rate for the calendar
23 quarter in which the acquisition was made. The revised
24 contribution rate shall apply to employment after the [date of

any such acquisition] rate recalculation. For this purpose a calculation date different from July first may be established. When the division has determined that a successor or successors stand in the position of a predecessor employer, the predecessor's liability shall be terminated as of the date of the acquisition.

288.121. On October first of each calendar year, if the average balance, less any federal advances, of the unemployment compensation trust fund of the four preceding quarters (September thirtieth, June thirtieth, March thirty-first and December thirty-first of the preceding calendar year) is less than four hundred million dollars, then each employer's contribution rate calculated for the four calendar quarters of the succeeding calendar year shall be increased by the percentage determined from the following table:

| Balance in Trust Fund | | Percentage |
|-----------------------|-------------------|-------------|
| Less Than | Equals or Exceeds | of Increase |
| \$400,000,000 | \$350,000,000 | 10% |
| \$350,000,000 | \$300,000,000 | 20% |
| \$300,000,000 | | 30% |

[Notwithstanding the table in this section, each employer's contribution rate calculated for the four calendar quarters of

1 calendar year 1994 shall be increased by forty percent, instead
2 of thirty percent, as previously indicated in the table in this
3 section. After the forty percent increase, each employer's
4 contribution rate for the four calendar quarters of calendar year
5 1994 shall be increased by adding three-tenths of one percent.]

6 On October first of each calendar year, the department shall
7 determine if the cumulative benefits paid during the four
8 preceding quarters exceed the amount of cumulative contributions
9 received in the same preceding four quarters. If the benefits
10 paid exceed the contributions received, any increase in the
11 employer's contribution rate established pursuant to this section
12 shall remain in effect through September 30 of the following
13 year.

14 288.128. 1. In addition to all other contributions due
15 under this chapter, if the fund is utilizing moneys advanced by
16 the federal government under the provisions of 42 U.S.C.A.,
17 section 1321 pursuant to section 288.330, or from the proceeds of
18 bonds issued pursuant to section 288.330, each employer shall be
19 assessed an amount solely for the payment of interest due on such
20 federal advancements or, in the case of issuance of bonds, for
21 the payment of the principal, interest, and administrative
22 expenses related to such bonds. The rate shall be determined by
23 dividing the interest due on federal advancements, or the
24 principal, interest, and administrative expenses related to

1 bonds, by ninety-five percent of the total taxable wages paid by
2 all Missouri employers in the preceding calendar year. Each
3 employer's proportionate share shall be the product obtained by
4 multiplying such employer's total taxable wages for the preceding
5 calendar year by the rate specified in this section. Each
6 employer shall be notified of the amount due under this section
7 by June thirtieth of each year and such amount shall be
8 considered delinquent thirty days thereafter. The moneys
9 collected from each employer for the payment of interest due on
10 federal advances or principal, interest, and administrative
11 expenses related to bonds shall be deposited in the special
12 employment security fund.

13 2. If on December thirty-first of any year the money
14 collected under this section exceeds the amount of interest due
15 on federal advancements by one hundred thousand dollars or more,
16 then each employer's experience rating account shall be credited
17 with an amount which bears the same ratio to the excess moneys
18 collected under this section as that employer's payment collected
19 under this section bears to the total amount collected under this
20 section. Further, if on December thirty-first of any year the
21 moneys collected under this section exceed the amount of interest
22 due on the federal advancements by less than one hundred thousand
23 dollars, the balance shall be transferred from the special
24 employment security fund to the Secretary of the Treasury of the

1 United States to be credited to the account of this state in the
2 unemployment trust fund.

3 3. Moneys collected pursuant to this section for the
4 payment of principal, interest, and administrative expenses
5 related to bonds issued pursuant to section 288.330 shall only be
6 used for such purpose following appropriation of such moneys by
7 the general assembly. In the event that moneys are collected
8 hereunder for the payment of principal, interest, and
9 administrative expenses related to bonds and the legislature does
10 not make such an appropriation, collections shall be paid into
11 the special employment security fund and be used for such
12 purposes as is allowed by law.

13 288.270. The provisions of the Wagner-Peyser Act (29
14 U.S.C.A. Sec. 49 et seq.), as amended, are hereby accepted by
15 this state and the division of employment security is hereby
16 designated and constituted the agency of this state for the
17 purposes of said act. The division shall establish and maintain
18 free public employment offices in such number and in such places
19 as may be necessary for the proper administration of this chapter
20 and for the purposes of performing such functions as are within
21 the purview of the Wagner-Peyser Act. Such departments,
22 divisions, and agencies may contract with private entities for
23 the purpose of providing employment and reemployment services.

24 288.310. 1. There is hereby created in the state treasury

1 a special fund to be known as the "Special Employment Security
2 Fund". All interest and penalties collected under the provisions
3 of this law, including moneys collected pursuant to section
4 288.128 for the payment of interest due on federal advances
5 received pursuant to section 288.330 or the payment of principal,
6 interest, and administrative expenses related to bonds issued
7 pursuant to section 288.330, shall be paid into this fund. The
8 moneys collected pursuant to section 288.128 shall be used
9 exclusively for the payment of interest due on federal advances
10 received pursuant to section 288.330, or, subject to
11 appropriation by the general assembly, for the payment of
12 principal, interest, and administrative expenses related to bonds
13 issued pursuant to such section. Such moneys, except for moneys
14 collected pursuant to section 288.128, shall not be expended or
15 available for expenditure in any manner which would permit their
16 substitution for, or a corresponding reduction in, federal funds
17 which would in the absence of such money be available to finance
18 expenditures for the administration of the employment security
19 law, but nothing in this section shall prevent such moneys,
20 except for moneys collected pursuant to section 288.128, from
21 being used as a revolving fund, to cover expenditures, necessary
22 and proper under the law, for which federal funds have been duly
23 requested but not yet received, subject to the charging of such
24 expenditures against such funds when received. Subject to the

1 approval of the director of the department of labor and
2 industrial relations, the moneys in this fund, except for moneys
3 collected pursuant to section 288.128, shall be used by the
4 department of labor and industrial relations for the payment of
5 costs of administration which are found not to have been properly
6 and validly chargeable against federal grants or other funds
7 received for or in the unemployment compensation administration
8 fund. Such moneys, except for moneys collected pursuant to
9 section 288.128, shall be available either to satisfy the
10 obligations incurred by the department of labor and industrial
11 relations for the division directly or by requesting the board of
12 fund commissioners to transfer the required amount from the
13 special employment security fund to the unemployment compensation
14 administration fund. The board of fund commissioners shall upon
15 receipt of a written request of the department of labor and
16 industrial relations make any such transfer. No expenditures of
17 this fund or transfer herein provided, except for moneys
18 collected pursuant to section 288.128, shall be made unless and
19 until the director of the department of labor and industrial
20 relations finds that no other funds are available or can properly
21 be used to finance such expenditures, except that as hereinafter
22 authorized expenditures from such fund may be made for the
23 purpose of acquiring lands and buildings, or for the erection of
24 buildings on lands so acquired, which are deemed necessary by the

1 director of the department of labor and industrial relations for
2 the proper administration of this law. The director of the
3 department of labor and industrial relations shall order the
4 transfer of such funds or the payment of any such obligation and
5 such funds shall be paid by the state treasurer on requisitions
6 drawn by the director of the department of labor and industrial
7 relations directing the state auditor to issue his or her warrant
8 therefor. Any such warrant shall be drawn by the state auditor
9 based upon bills of particulars and vouchers certified by an
10 officer or employee designated by the director of the department
11 of labor and industrial relations. Such certification shall
12 among other things include a duly certified copy of the director
13 of the department of labor and industrial relations' findings
14 hereinbefore referred to. The moneys in this fund, except for
15 moneys collected pursuant to section 288.128, are hereby
16 specifically made available to replace, within a reasonable time,
17 any moneys received by this state pursuant to section 302 of the
18 Federal Social Security Act (42 U.S.C.A. Sec. 502), as amended,
19 which, because of any action or contingency, have been lost or
20 have been expended for purposes other than, or in amounts in
21 excess of, those necessary for the proper administration of the
22 employment security law. The moneys in this fund shall be
23 continuously available to the director of the department of labor
24 and industrial relations for expenditure in accordance with the

1 provisions of this section and shall not lapse at any time or be
2 transferred to any other fund except as herein provided.

3 2. The director of the department of labor and industrial
4 relations, subject to the approval of the board of public
5 buildings, is authorized and empowered to use all or any part of
6 the funds in the special employment security fund, except for
7 moneys collected pursuant to section 288.128, for the purpose of
8 acquiring suitable office space for the division by way of
9 purchase, lease, contract or in any other manner, including the
10 right to use such funds or any part thereof to purchase land and
11 erect thereon such buildings as he or she shall deem necessary or
12 to assist in financing the construction of any building erected
13 by the state of Missouri or any of its agencies wherein available
14 space will be provided for the division under lease or contract
15 between the department of labor and industrial relations and the
16 state of Missouri or such other agency. The director of the
17 department of labor and industrial relations may transfer from
18 the unemployment compensation administration fund to the special
19 employment security fund amounts not exceeding funds specifically
20 available to the department of labor and industrial relations for
21 that purpose, equivalent to the fair reasonable rental value of
22 any land and buildings acquired for its use until such time as
23 the full amount of the purchase price of such land and buildings
24 and such cost of repair and maintenance thereof as was expended

1 from the special employment security fund has been returned to
2 such fund.

3 3. The director of the department of labor and industrial
4 relations may also transfer from the unemployment compensation
5 administration fund to the special employment security fund
6 amounts not exceeding funds specifically available to the
7 department of labor and industrial relations for that purpose,
8 equivalent to the fair reasonable rental value of space used by
9 the department of labor and industrial relations in any building
10 erected by the state of Missouri or any of its agencies until
11 such time as the department of labor and industrial relations'
12 proportionate amount of the purchase price of such building and
13 the department of labor and industrial relations' proportionate
14 amount of such costs of repair and maintenance thereof as was
15 expended from the special employment security fund has been
16 returned to such fund.

17 288.330. 1. Benefits shall be deemed to be due and payable
18 only to the extent that moneys are available to the credit of the
19 unemployment compensation fund and neither the state nor the
20 division shall be liable for any amount in excess of such sums.
21 [Neither the state of Missouri, nor any person or agency acting
22 for it, may under any circumstance, by issuing bonds or otherwise
23 borrow money from any source whatsoever to pay benefits
24 hereunder, except as provided in 42 U.S.C.A. Section 1321.] The

1 governor is authorized to apply for an advance to the state
2 unemployment fund and to accept the responsibility for the
3 repayment of such advance in accordance with the conditions
4 specified in Title XII of the Social Security Act, as amended, in
5 order to secure to this state and its citizens the advantages
6 available under the provisions of such title.

7 2. (1) The purpose of this subsection is to provide a
8 method of financing the replenishment of the state's unemployment
9 compensation fund as an alternative to borrowing or obtaining
10 advances from the federal unemployment trust fund or for
11 refinancing those loans or advances, and to provide a method
12 through which the state may continue its unemployment
13 compensation program at the least possible cost to the state and
14 its employers. The state of Missouri shall utilize the borrowing
15 option which allows the state to continue its unemployment
16 compensation program at the least possible cost to the state and
17 its employers.

18 (2) For the purposes of this subsection, "bond" means any
19 type of obligation issued pursuant to this section, including any
20 bond, note, or bond anticipation note or similar instrument.

21 (3) For the purposes of implementing the provisions of this
22 subsection, there is hereby created the "Missouri Commission on
23 Employment Security Financing". The membership of the commission
24 shall be comprised of the members of the unemployment

1 compensation oversight committee established in this section.
2 The speaker of the house of representatives, the president pro
3 tempore of the senate, the director of the department of labor
4 and industrial relations, the director of the division of
5 employment security, and the state treasurer shall serve as ex
6 officio members of the commission but shall not have the power to
7 vote. The commission shall constitute a body corporate and
8 politic. The commission shall have all powers necessary to
9 effectuate its purposes, including without limitation to provide
10 a seal, keep a record of its proceedings, and elect a chairman
11 from amongst its members.

12 (4) The commission is authorized to issue, sell, and
13 deliver bonds, which shall mature no later than ten years after
14 issuance, in the name of the commission in an amount determined
15 by the commission, not to exceed a total of two hundred million
16 dollars of indebtedness, that results in reducing or avoiding the
17 need to borrow or obtain an advance pursuant to 42 U.S.C.,
18 Section 1321, or any similar federal legislation, or in an amount
19 necessary to refinance any borrowing or advance previously made
20 by the state for those purposes. The commission shall make an
21 affirmative finding that the issuance of bonds for the purposes
22 established in this section results in a savings to the state and
23 its employers.

24 (5) The commission shall provide for the payment of the

1 principal of the bonds, any redemption premiums, the interest on
2 the bonds, and the costs attributable to the bonds being issued
3 or outstanding as provided in this subsection and in section
4 288.310.

5 (6) As revenue, the commission may irrevocably pledge money
6 received from the contributions received pursuant to section
7 288.128 for the payment of bonds and deposited in an account
8 created for such purpose in the special employment security fund,
9 or other money legally available to it, provided that the general
10 assembly has first appropriated such contributions or other
11 moneys deposited in such account for the payment of bonds.

12 (7) Bonds issued pursuant to this section shall not
13 constitute debts of this state or of any agency, political
14 corporation, or political subdivision of this state, and are not
15 a pledge of the faith and credit of this state or of any of those
16 governmental entities. The bonds are payable only from revenue
17 provided for the payment pursuant to this section. The bonds
18 shall contain a statement to the effect that:

19 (a) Neither the state nor any agency, political
20 corporation, or political subdivision of the state is obligated
21 to pay the principal or interest on the bonds except as provided
22 by this section; and

23 (b) Neither the full faith and credit nor the taxing power
24 of the state nor any agency, political corporation, or political

1 subdivision of the state is pledged to the payment of the
2 principal, premium, if any, or interest on the bonds except as
3 provided by this section.

4 (8) The state pledges and agrees with the owners of any
5 bonds issued pursuant to this section that the state will not
6 limit or alter the rights vested in the commission to fulfill the
7 terms of any agreements made with the owners, or in any way
8 impair the rights and remedies of the owners until the bonds are
9 fully discharged.

10 (9) In the documents authorizing the issuance of bonds,
11 including refunding bonds, the commission may provide for the
12 flow of funds and the establishment and maintenance of separate
13 accounts within the special employment security fund, including
14 the interest and sinking account, the reserve account, and other
15 necessary accounts, and may make additional covenants with
16 respect to the bonds. The resolutions authorizing the issuance
17 of bonds may also prohibit the further issuance of bonds or other
18 obligations payable from appropriated moneys or may reserve the
19 right to issue additional bonds to be payable from appropriated
20 moneys on a parity with or subordinate to the lien and pledge in
21 support of the bonds being issued, and may contain other
22 provisions and covenants as determined by the commission.

23 (10) The commission may issue bonds to refund all or any
24 part of the outstanding bonds issued pursuant to this section,

1 including matured but unpaid interest.

2 (11) The bonds issued by the commission, any transaction
3 relating to the bonds, and profits made from the sale of the
4 bonds are free from taxation by the state or by any municipality,
5 county, special district, or other political subdivision of the
6 state.

7 (12) As determined necessary by the commission, the
8 proceeds of the bonds, less the cost of issuance, shall be placed
9 in the state's unemployment compensation fund and may be used for
10 the purposes for which that fund may otherwise be used. If those
11 net proceeds are not placed immediately in the unemployment
12 compensation fund, they shall be held in the special employment
13 security fund in an account designated for that purpose until
14 they are transferred to the unemployment compensation fund.

15 (13) The commission may enter into any contract or
16 agreement deemed necessary or desirable to effectuate cost-
17 effective financing hereunder. Such agreements may include
18 credit enhancement, credit support, or interest rate agreements.
19 Any fees or costs associated with such agreements shall be deemed
20 "administrative expenses" for the purposes of calculating
21 assessments relating to payment of the principal, interest, and
22 administrative expenses related to bonds pursuant to the
23 provisions of section 288.128.

24 (14) To the extent of any conflict between this section and

1 other laws, the provisions of this section prevail.

2 (15) If the United States Secretary of Labor holds that a
3 provision of this subsection does not conform with a federal
4 statute or would result in the loss to the state of any federal
5 funds otherwise available to it, the commission may administer
6 this subsection to conform with the federal statute until the
7 general assembly meets in its next regular session and has an
8 opportunity to amend this subsection.

9 3. In event of the suspension of this law, any unobligated
10 funds in the unemployment compensation fund, and returned by the
11 United States Treasurer because such Federal Social Security Act
12 is inoperative, shall be held in custody by the treasurer and
13 under supervision of the division until the legislature shall
14 provide for the disposition thereof. In event no disposition is
15 made by the legislature at the next regular meeting subsequent to
16 suspension of said law, then all unobligated funds shall be
17 returned ratably to those who contributed thereto.

18 288.385. 1. Except as otherwise specifically provided by
19 law, it shall be unlawful for the director of the division of
20 employment security, any officer, employee, agent or deputy or
21 former director, officer, employee, agent or deputy of the
22 division of employment security, any person engaged or retained
23 by the division of employment security on an independent contract
24 basis, any person to whom authorized or unauthorized disclosure

1 is made by the division of employment security, or any person who
2 lawfully or unlawfully inspects any report or return filed with
3 the division of employment security or to whom a copy, an
4 abstract or a portion of any report or return is furnished by the
5 division of employment security to make known in any manner, to
6 permit the inspection or use of or to divulge to anyone any
7 information relative to any such report or return, any
8 information obtained by an investigation conducted by the
9 department in the discharge of official duty, or any information
10 received by the director in cooperation with the United States or
11 other states in the enforcement of the employment laws of this
12 state. Such confidential information is limited to information
13 received by the division in connection with the administration of
14 the employment security laws of this state.

15 2. Nothing in this section shall be construed to prohibit
16 the disclosure of information, returns, reports, or facts shown
17 thereby, as described in subsection 1 of this section, by any
18 officer, clerk or other employee of the division of employment
19 security charged with the custody of such information:

20 (1) To an employee or the employee's duly authorized
21 representative under regulations which the director of the
22 division of employment security may prescribe;

23 (2) In any action or proceeding, civil, criminal or mixed,
24 brought to enforce the employment security laws of this state.

1 3. Any person violating any provision of subsection 1 or 2
2 of this section shall, upon conviction, be guilty of a class D
3 felony.

4 288.395. Any person receiving benefits by perpetrating a
5 fraud or misrepresentation pursuant to this chapter for which a
6 penalty has not herein been specifically provided, shall be
7 guilty of a class A misdemeanor and, in addition, shall be liable
8 to this state for a civil penalty not to exceed ten thousand
9 dollars or double the value of the fraud, whichever is greater.
10 Any person who has previously pled guilty to or has been found
11 guilty of perpetrating a fraud or misrepresentation pursuant to
12 this chapter and who subsequently violated any such provisions
13 shall be guilty of a class D felony.

14 Section 1. The general assembly recognizes the value of
15 cost-effective unemployment compensation program to the citizens
16 of this state. As such, there is hereby created the
17 "Unemployment Compensation Oversight Committee" for the purpose
18 of evaluating program goals, objectives, efficacy, and
19 administration and providing guidance to the department of labor
20 and industrial relations with respect to the same. The committee
21 shall be comprised of two members from the house of
22 representatives appointed by the speaker of the house of
23 representatives, two members from the senate appointed by the
24 president pro tem, and three members appointed by the governor,

1 to include one member representing small businesses employing
2 less than one hundred employees, one member representing
3 businesses employing more than one hundred employees, and one
4 member representing employees. Members of the committee shall
5 serve without compensation but shall be reimbursed for actual and
6 necessary expenses incurred in the performance of their official
7 duties.

8 Section B. Because immediate action is necessary to reduce
9 costs related to providing continued funding for the unemployment
10 compensation program of the state, section A of this act is
11 deemed necessary for the immediate preservation of the public
12 health, welfare, peace, and safety, and is hereby declared to be
13 an emergency act within the meaning of the constitution, and
14 section A of this act shall be in full force and effect upon its
15 passage and approval.